FINAL RECOMMENDATIONS FOR THE STATE ATHLETIC COMMISSION April 12, 2005

RECOMMENDATIONS OF THE JOINT COMMITTEE ON BOARDS, COMMISSIONS, AND CONSUMER PROTECTION AND THE DEPARTMENT OF CONSUMER AFFAIRS

<u>ISSUE #1</u>: (CONTINUE THE COMMISSION?) Should the Commission be continued or should the professions be regulated by a bureau under the Department?

<u>Recommendation #1</u>: The Joint Committee and the Department recommend that the Commission should be allowed to sunset and its functions and duties should be transferred to the Department immediately.

Comments: The Joint Committee on Boards, Commissions and Consumer Protection and the Department of Consumer Affairs (Department) recommended in 2004 a one-year extension to the Commission to deal with financial and personnel issues. The Commission has not dealt with these issues to an acceptable level, and the Department believes the Commission should transfer all of its duties and responsibilities to the Department immediately.

The Commission's staffing shortages have only been exacerbated by the delay in hiring an Executive Officer. Since July of 2004 the Commission has been absent of an Executive Officer. The Chief Inspection Officer has been appointed Acting Executive Officer in place of a permanent manager in November of 2004. The Acting Executive Officer has been managing the Sacramento headquarters from his Los Angeles base. Without management in Sacramento the staff have been unable to meet the operational mandates that the Commission is charged with. To compound the issue, the staff has been inflicted with vacancies and has been operating with just two members of staff at times. The staff shortages have contributed to the operational deficiencies according to the Chief Auditor at the Department.

The Department has conducted an Audit of the Commission to identify operational deficiencies. The Auditor acknowledges that there are staff limitations that contribute to the accounting deficiencies but believes the problem has more to do with unorganized and improper accounting and miscalculations at events. The Auditor recommended changing the manual form of calculations to computerized spreadsheets and has met resistance from the Commission to implement. The manual form of record keeping has created problems in reconciling show ticket payments and fees with illegible handwriting and miscalculations. Without accurate statistics on tickets sold and fees assessed, the Auditor has been unable to reconcile whether accounting was ever properly done.

The Joint Committee feels that immediate Department intervention is necessary for the all above-stated reasons. The Joint Committee is recommending that the Commission transfer all of its duties and responsibilities to the Department. The Department should implement a plan to address the aforementioned deficiencies, including carrying out past recommendations of the Joint Committee as well as recommendations found in the audit.